barts CHARITY



annual report and accounts 2022–2023

Registered company number 07168381
Registered Charity number 212563

Contents

Chair and Chief Executive's introduction 1

Trustees' Report

Who we are and what we do 2
Review of 2022/23 4
Aims for 2023/24 7
Equity, Diversity and Inclusion 8
Finance Review 11
Risk Management 14
Structure, Governance and Management 15
Statement of Trustees' Responsibilities 18

Auditor's Report 19

Financial Statements 2022/23

Statement of Financial Activities 22
Statement of Financial Position 23
Cash Flow Statement 24
Notes to the accounts 25

Chair and Chief Executive's introduction

The 2022/23 financial year was a record-breaking one for us. We were delighted to award £43.6m in funding, the largest we've ever given in a single year. This is a great start to our 2022–2027 five-year strategy in which we're aiming to commit at least £150m in funding.

We split funding between our three partners: £32.7m to Barts Health NHS Trust (Barts Health), £9.4m to the Faculty of Medicine and Dentistry (FMD) at Queen Mary University of London (QMUL) and £0.3m to the School of Health and Psychological Sciences at City, University of London. We also awarded £1.2 million to East London NHS Foundation Trust.

What's gratifying is the range of research and healthcare projects we've supported. Through our multi-million-pound targeted transformational programme, we've funded:

- the Academic Centre for Healthy Ageing based at Whipps Cross Hospital, looking at ways to extend healthy living and to treat frailty.
- the digital transformation of dental services at The Royal London Dental Hospital at Barts Health and the Institute of Dentistry at QMUL.
- a highly secure database for Barts Health patient data to be used in research to discover which treatments work best for patients.
- the Psychological Support Service to support the mental health and wellbeing of staff at Barts Health.

We've also approved plans to build a brand-new Clinical Research Facility on the 15th floor of The Royal London Hospital. This will bring vital clinical trials research closer to the people of East London. Costing £14m, this is the single largest project we have ever supported.

But it's not just the high-value awards that make us proud. We refined our existing funding schemes which cover research fellowships for healthcare professionals, research projects and healthcare innovation. We also introduced a new Everyday Impact scheme which allows staff at Barts Health hospitals to apply for funding for relatively small changes that can have a big impact on patient care, experience and wellbeing.

The first Everyday Impact awards included:

- providing bereavement bags designed to carry the belongings of those who have died
- equipment to help dieticians create better nutrition plans for cancer patients
- facilities to speed up rehabilitation for intensive care patients
- a number of ward and waiting room refurbishments.

You can find out more about how we are making a difference to the health of people in East London in our Impact Report.

It's also been an important year for our fundraising. In 2023, St Bartholomew's Hospital is celebrating the remarkable milestone of 900 years since it was founded. To honour this extraordinary anniversary, we've joined with Barts Health and Barts Heritage to create the **Barts 900 Campaign**.

Our focus is on two important health projects that will help to transform treatment for patients in East London. As mentioned, plans have been jointly approved by us and Barts Health for a Clinical Research Facility at The Royal London Hospital. Proposals are also underway for a state-of-the-art Breast Cancer Centre at St Bartholomew's Hospital.

We've been preparing for this, our most ambitious fundraising programme to date, for most of this year. So, since Foundation Day in March 2023, the Barts 900 Campaign, which will fund the two health projects, has been in full swing. We look forward to reporting on its success in next year's report.

We could not have achieved so much in the last year without our highly talented and engaged staff, Board and advisers, partners and supporters. We feel very fortunate to have their support and would like to extend our thanks for all they do.

Andy Bruce
Chair of Trustees

Fiona Miller Smith
CEO

Trustees' Report

The Trustees present their report and the audited financial statements for the year ending 31 March 2023. The introduction from the Chair and Chief Executive on page 1, and the Statement of Trustees' Responsibilities on page 18 form part of this Trustees' report.

The financial statements as at 31 March 2023 and for the year then ended have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards comprising the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland – (second edition effective 1 January 2019) (Charities SORP (FRS 102), and the Companies Act 2006.

Who we are and what we do

Vision

Life changing improvements to health for the people of East London.

Mission

A charity with its roots in East London, dedicated to supporting improvements to healthcare and transformative research for local health benefit.

We work in partnership with the NHS, local research institutes and others who can help us achieve our goals and maximise our impact.

Barts Charity 2022–2027 strategic objectives

We wanted our vision and mission to provide the strategic context for each area of our charitable activity and we have used them to frame five strategic objectives for 2022–2027.

Research

We fund high quality and innovative research that enhances our understanding of health and illness and has the potential to improve and/or save lives in East London.

Healthcare

We facilitate transformation to patient care and support for our dedicated NHS staff, primarily focusing our efforts at Barts Health.

Fundraising and communications

We are transforming our approach to fundraising to significantly grow revenue and enable us to achieve our ambitions for our mission.

We aim to inspire greater support by communicating about the people and projects we fund and the impact they make.

Endowment

We manage our endowment to ensure we take full advantage of potential opportunities to deliver our mission, now and in the future.

How we work

We set ourselves high standards for how we operate and aim to maximise the impact we make with our resources.

Our funding principles and focus

To achieve our funding and impact strategic objectives, we will focus our funding:

- where we can create transformational change
- where we can leverage further support for our funded projects
- on projects which cannot be covered by other funders or revenue sources

Our primary focus is on our funding being relevant to, and having an impact in, East London. We expect that much of the activity we support will continue to have wider health benefit, both across the UK and globally.

We adhere to robust funding processes to make sure our resources can improve healthcare and transformative research. We also make sure that our funding processes and policies are inclusive and unbiased. We are a member of the Association of Medical Research Charities and can demonstrate high standards of governance around decision processes and monitoring involved in funding.

Our values

We are proud of the work we do. We have created a set of values that express who we are as a charity, the way we want to work and the culture that we want to live and breathe every day.

One Team

We work collaboratively as one team, supporting and respecting each other and embracing diverse experiences and perspectives.

Ambitious

We care passionately about Barts Charity's mission, empowering each other to constantly improve and achieve our best.

Open

We are honest and transparent, sharing information willingly and encouraging the giving and receiving of constructive feedback.

Accountable

We take pride in doing the right thing and acting with integrity. We take ownership of our actions and learn from our mistakes.

Review of 2022/23

In our 2022 Annual Report we set out our strategic targets for 2022/23. Here, we summarise the progress we've made against these:

Target	Progress
Funding – Research/Healthcare delivery	
Work with Barts Health and FMD, our Grants Committee and Board to progress development of the Barts 900 Campaign project applications (Barts Breast Cancer Centre at St Bartholomew's Hospital and Clinical Research Facility at The Royal London Hospital).	• Plans for Clinical Research Facility, £14m, approved January 2023. • Continuing to progress plans for Barts Breast Cancer Centre at St Bartholomew's Hospital.
Refresh all funding schemes; design and launch a new Everyday Impact scheme to support ideas where a relatively straightforward and easy-to-implement change could have a big impact on the care, experience and wellbeing of patients and their families, friends, and carers in hospitals across Barts Health.	• Refreshed schemes including updating their names, remit and eligibility criteria to better reflect their purpose and/or align with the 2022 –2027 strategy. • Launched the Everyday Impact funding scheme. Created New Advisory Panel for scheme comprising of representatives from each hospital and cross Barts Health staff.
Refine impact, outcomes and assessment framework to align with the new Charity strategy and to support activity to communicate the difference Barts Charity funding makes.	• Refined the Monitoring and Evaluation Framework to collect information, data and insights about funded grants to support the evaluation of our strategy and communicate the impact of Barts Charity funding.
Review grant terms and conditions to ensure compliance with best practice.	• Refreshed grant terms and conditions which were launched in June 2022.
Fundraising and communications	
Fundraising for the Barts 900 Campaign (with a target of £30m).	• Fundraising focused on the Clinical Research Facility. The team are in the advanced stages of funding conversations with several significant funders.
Implementation of a public fundraising strategy.	• Agreed a three-year strategy in January 2023 and starting to implement it. • Launched the public fundraising element of the Barts 900 Campaign. • Expanded our challenge event portfolio.
Completion of a brand review and creation of a new website.	• Launched our new website and branding in February 2023. • Introducing our new signage in hospitals.
Endowment	
Implementation of revised asset allocation under investment strategy, including development of responsible investing principles.	• Progressing the process of strategically reallocating assets from public to private markets.
How we work	
Complete office refurbishment to improve flexibility of use and increase collaboration spaces.	• Completed summer 2022.
Complete a review of our Employee Value Proposition and create our first People and Culture strategy.	• Finalised our People and Culture strategy in December 2022. • Ongoing engagement with staff about workstream priorities.
Optimise IT provision and support, including increasing in-house IT and data capability.	• Systems Manager appointed to role in March 2023 to focus on technology, information governance and cyber security.

Annual Report 2022 – 2023

Challenges

There have been a number of challenges across the year, and these have helped to inform some of our aims for 2023/24. These have included:

- Our record level of charitable expenditure placed additional review and processing requirements onto our Funding and Impact and Finance teams. We achieved this without recruiting additional staff in those teams.
- Rolling out new funding schemes under the 2022–27 strategy while winding down legacy schemes in parallel placed additional pressures on our funding operations.
- Creating a new Public Fundraising team from October 2022 meant there was more demand placed on internal support roles, especially Marketing and Communications (M&C). A reorganisation of the M&C team commenced in April 2023 and aims to achieve better cross-team working with the Public Fundraising, Funding and Impact and Major Gifts teams. As this will take six months to fully implement, more M&C work is being outsourced than would normally be the case.
- Over the year, our average headcount of team members has grown from 30 to 38 and the number of mid-level line managers has increased. This has put pressure on HR and has meant we've needed to support managers to consistently put policies into practice, especially performance reviews. We are not planning for similar growth this year.

Managing the endowment

The management of our endowment is designed to provide financing, alongside voluntary income, for our funding programme. The assets in the portfolio are selected with the objective of increasing their value over time and achieving a financial return. A managed approach to risk is taken and the Trustees and management work with a number of advisors to provide an appropriate balance of risk against a targeted return.

The Trustees have delegated investment decision-making to the Investment Committee. The Investment Committee appoints and monitors investment advisors to assist them in managing both financial and property elements of the portfolio. It meets quarterly and reports back to the Trustee board after each meeting.

Since April 2021, the Investment Committee has been working with Mercer as its financial investment advisor. During 2021/22, we undertook a strategic review of our investment beliefs and, as a result, set a new investment strategy for the next five to seven years. This aims to further diversify the overall sources of risk and return. We made a number of investments in new funds during 2022/23 as part of the transition to the target allocation.

From April 2023, we have been working with Swiss Life Asset Managers as our strategic property advisors to advise on our direct and indirect property holdings. Until March 2023, the Charity was advised by Gryphon Property Partners.

Annual Report 2022 – 2023

Our aims for 2023/24

Funding

- Progress the Clinical Research Facility at The Royal London Hospital and develop plans for a Breast Cancer Centre at St Bartholomew's Hospital, as part of the Barts 900 Campaign.
- Maintain a significant funding programme in research and healthcare, outside of the Barts 900 Campaign.
- Maintain a potential pipeline of high-quality research and healthcare funding applications.

Fundraising and communications

- Invest in our fundraising infrastructure to make sure we have the right resources in place to deliver our strategy for the Barts 900 Campaign. Identify all lead gifts for the Clinical Research Facility and build a pipeline for the next stage of the campaign.
- Amplify our message for our Public Fundraising strategy which will build a broad and sustained base of support from community donors. Develop in memory, in celebration and legacy offerings.
- Further develop our partnership with the City of London Corporation to increase support from key city institutions.
- Identify a successor campaign to the Barts 900 Campaign.

Endowment

- Continue to implement revised asset allocation under our investment strategy, including developing responsible investing principles.
- Develop a risk register for financial investment operations.
- Develop a property investment strategy.

How we work

- Improve cyber security and information governance, achieving Cyber Essentials Plus accreditation.
- Consolidate and rationalise a proportion of our restricted funds.
- Engage with staff to prioritise People & Culture projects (e.g. refresh of learning & development programme) and deliver them making more use of cross-team working groups led by non-SMT members.

Commitment to Equity, Diversity and Inclusion (EDI)

We believe that our commitment to EDI is best demonstrated through action. Our EDI Commitment, Priorities and Definitions are available in full on our **website**.

Barts Charity's EDI commitment

We want everyone connected with Barts Charity to feel valued and respected. We will create and sustain a truly inclusive culture where everyone feels they can contribute. We know that this will take action and we must keep working at it.

We recognise that a diverse Barts Charity is not just the right thing to be but will also make us better at what we do. Embracing a breadth of perspectives and experiences will help us to make better decisions and be more effective and impactful in our activity.

We will be transparent about how we deliver on this commitment. We will publish our objectives and report our progress (or lack of it) so that our colleagues, supporters, beneficiaries and stakeholders can hold us to account.

Barts Charity's EDI priorities

Culture

- To live out our values.
- To encourage and champion an inclusive and aware internal culture through actions and resources.

Governance

- To create, update and keep under review our governance structures, policies and procedures to make sure that EDI is embedded into all of our activities.

Data/insight

- To better capture, monitor and analyse data to develop evidence from which to learn and drive change.

Funding

- To apply unbiased and inclusive funding processes and make sure the activities we fund are inclusive in their design and delivery.

Personnel

- To have diversity across our staff and non-executives who each feel able to realise their full potential and who better reflect the communities we work with and for.

Annual Report 2022 – 2023

During 2022/23 we have:

- Implemented our first annual survey to collect data about the diversity of our staff and non-executives. This covers our Scientific Review Panel, Fellowship Panel, Everyday Impact Panel, Committee Members, Board Advisers, Trustees and employees.
- Implemented processes to collect data about diversity of grant applicants and grant holders to allow us to explore whether our funding processes are inclusive, fair and free from bias.
- Become a signatory of the Declaration on Research Assessment principles and applied these to our funding processes.
- Made sure the terms and conditions of our grants and policies support the creation an inclusive and fair organisational culture at the places we fund. For example, the conduct of grant activities, grant holders and grant personnel and the introduction of paid sick and maternity leave for PhD students on Barts Charity grants.
- Undertaken a review of our HR policies to identify unfairness, inconsistency and apply inclusive language.
- Ensured that our new website meets accessibility standards, and that our imagery reflects patients and supporters.
- Undertaken and implemented recommendations from an accessibility audit as part of our office refurbishment.

First annual personnel diversity survey

- We ran a diversity survey across the summer and autumn of 2022 with our staff and non-executives. It was the first survey we've conducted on diversity. We wanted to test the response and establish some baseline data. We used questions based on the 2020 census to provide benchmarks. These covered age, disability/long-term health condition/impairment, ethnic group, gender, sexual orientation, and religion/belief.
- We had a response rate of 81% (68 responses out of 84) with very low use of the 'prefer not to say' option. This suggests respondents felt comfortable confirming their personal details in the survey. As a small organisation, it can be challenging to report data about diversity in case it compromises anonymity.
- The areas in which staff and non-executives showed as least representative compared to the England and Wales reported census results were disability/long term health condition and ethnicity. The proportion of staff and non-executives identifying as Asian/Asian British exceeds the reported England and Wales census figures, but representation from people identifying as Black/African/Caribbean/Black British is lower.
- Now that we have established the methodology and baseline data, we will run a single personnel diversity survey in September 2023 across both staff and non-executives. This will give us the opportunity to see if there have been any changes compared to last year. We will also consider whether the data for London is a more appropriate benchmark than that for England and Wales and will look to mine the census data further to help us do this.
- We are very conscious of the importance of diversity and inclusion across our personnel. Every time we recruit someone, we consider how best to appeal to a wide candidate pool and minimise bias. We aim to undertake a formal review in this regard this year (see below).

2023/24 EDI plan

Our plans for 2023/24 are as follows:

ACTION
Culture • Work experience programme with Tower Hamlets secondary school children (June 2023). • Review our external events to make sure they are more inclusive and have greater representation from our community. • Consider how we can use our social media platforms to reach a broader range of people and communities. • Introduce a menopause policy and guidelines. • Introduce Mental Health First Aiders and provide awareness training for staff and managers.
Data/Insight • Analyse the first year of our data about diversity for grant applicants and grant holders in autumn 2023 so that we can begin to explore whether our funding processes are inclusive, fair and free from bias. • Run a second annual personnel diversity survey, comparing results to the previous year and potential benchmarks.
Funding • Develop funding policies and processes that further support creating an inclusive and fair organisational culture where we fund. • Include patient and public involvement and engagement as a criterion in funding assessment (by committees/panels and peer reviewers).
Personnel • Undertake a formal review of our recruitment process to reach people from more diverse backgrounds and remove bias.

The above actions involve all teams and will be incorporated into their delivery plans. These will be assessed mid-year (October) and year end (March), and we will report our progress against each action.

Finance Review

Review of financial performance

Our financial strategy is to manage and grow our investment assets and voluntary income to support annual grant giving and operating activities for the long term. Though the net assets as of 31 March 2023 decreased by £48m to £401m (2022: £449m), the level of reserves we maintain is amply in excess of our minimum reserves requirement.

In reviewing the performance of our investments, we consider the total return of the portfolio, both income and capital. By showing the total return, which combines both income generated by our assets and the associated capital gains/losses, as opposed to separating these out, we see the full picture of our finances.

We use this concept as a basis for addressing the two basic principles of our financial strategy:

- To provide for long-term stability and liquidity sufficient for the funding of the Charity's annual grant-making and other operating activities.
- To maintain the value of the Charity's portfolio in real terms so that it can make funding awards in the long term.

The Statement of Financial Activities **(on page 22)** shows that, during the financial year, the Charity received income of £11.9m, (2022: £14.5m), of which £10.2m was unrestricted (2022: £12.2m). Total expenditure increased over the same period to £52.5m (2022: £34.6m) in line with the Charity's aspiration to grant £150m over a five-year period. The proportion of charitable activities spending to total expenditure increased marginally (86%, 2022: 83%).

As stated above, and as shown in the Statement of Financial Position, the Charity's net assets were £401m (2022: £449m). The endowment funds decreased in value due to unrealised losses. Restricted funds reduced in value partly because we used some for charitable expenditure and partly in line with the Charity's wish to consolidate and close the large number of low value funds. The remaining deficit-reduced general funds.

In terms of assets and liabilities, the Charity's level of operational fixed assets reflects additions relating to office refurbishments, write down of old office equipment and depreciation of capitalised software.

Investment review

The value of the Charity's investments decreased by £19m to £497m, reflecting the challenging market conditions over the 12-month period to 31 March 2023.

The majority of the 12-month period coincided with one of the worst years for equity and bond markets. The second and third quarter of 2022 saw a continuation of the broad macro trends seen since the beginning of 2022. Surging commodity prices, to some degree the result of the ongoing conflict in Ukraine and associated sanctions against Russia, alongside the enormous monetary and fiscal stimulus of the last two years, led to new multi-decade inflation records.

In the fourth quarter of 2022, developed market central banks continued tightening monetary policy but at a slowing pace, with signs of inflation on a downward trend from high levels. The first quarter of 2023 started with optimism over declining inflation and a hope of an end to monetary tightening. However, some high-profile bank failures unsettled markets, before calm returned towards the end of the quarter.

The long-term target for the portfolio is an average total return of Consumer Price Index (CPI)+4.5% per year (net of fees) over rolling three-year periods and an annualised return in excess of the portfolio's blended benchmark.

The Charity performed well relative to the broader market during the financial year with the portfolio returning -1.7%, net of fees.

Though the long-term target for the portfolio is a total annualised return of CPI +4.5% over rolling three-year periods, the Investment Committee recognises that, given the current high inflationary environment, this will be a challenging target to achieve over the shorter term.

Investment performance is monitored quarterly by our Investment Committee with the assistance of our investment advisors, Mercer, who provide advice and monitoring services for the financial portfolio.

During the year under review, the Investment Committee conducted a review of the property advisors and decided to replace Gryphon Property Partners with Swiss Life Asset Managers, with effect from 1 April 2023.

All figures are in % per annum	Return achieved	Target CPI+4.5%	Target Blended Benchmark
3-year period to 31 March 2023	8.0	10.6	10.0
3-year period to 31 March 2022	7.0	7.7	7.8
Since inception to 31 March 2023	8.4	7.5	6.2

Reserves

The Charity holds assets in funds, each type of which dictates how the funds may be disbursed:

Endowment funds: there are a number of segregated individual personal endowments which are usually created in the form of a will trust that limits the use of both the original capital and any investment gains attached to them. There is also an aggregated expendable endowment fund – these funds, and gains arising from them, can be applied generally by the Trustees to deliver the Charity's objectives. The value of the aggregated expendable endowment, as at 31 March 2023, was £349.5m (2022: £355.6m).

Restricted funds are amounts given with a restriction agreed between the donor and the Charity that specifies the area of the Charity's work that will be supported. Barts Charity has a large number of these funds supporting the many areas of the Barts Health NHS Trust's work.

All other funds held by the Charity form the **general** funds. However, Trustees may choose (and have chosen) to set aside **designated** funds to make sure a particular objective is given prominence. Trustees may remove a designation if they choose.

Reserves policy

Given the nature of the Charity's activities and our grant-making strategy the Trustees have determined that the reserves policy, taken in conjunction with spending and long-term investment policies, is intended to deliver the following objectives:

- Provide for long-term stability and liquidity sufficient for the funding of the charity's annual grant-making and other operating activities, without jeopardising broader investment objectives.
- Maintain the value of the Charity's portfolio in real terms so that it can continue to make funding awards in the long term. The Trustees wish to ensure the right balance between funding transformational projects over the next five-ten years and ensuring a meaningful role for the long term.

For these objectives, the Trustees have determined that the value of reserves should be deemed to be the amount(s) held in the Charity's investment portfolio.

The Charity annually sets a minimum reserve level it considers necessary to maintain in order to achieve this balance between current and future activity. For 2022/23, this minimum reserve level is £378m (2021/22: £347m).

The level of total reserves as at 31 March 2023 was £497m (2021/22: £516m) therefore the Trustees consider that the Charity has sufficient funds to meet its purposes over its anticipated operating future.

If reserves go below or are projected to come within 5% of the minimum level, Trustees will consider the level of spending and grant-giving in light of the prevailing market conditions and outlook. It is not expected that the Charity would react to short term volatility. The reserve, spending and long-term investment policies are reviewed at least annually and adjusted if necessary.

Responsible investing

Barts Charity believes that it is right to consider environmental, social, and governance (ESG) factors in investment decisions, in order to identify material risks as well as to earn sustainable, long-term returns. The Charity also recognises that long-term sustainability issues, including climate change, present risks and opportunities that increasingly may require explicit consideration. We believe that it is possible to invest with a positive impact without reducing investment returns. Areas of particular interest include improving societal health care outcomes.

As a result, ESG (including but not limited to climate change) and stewardship considerations are integrated in the investment process. This includes selecting new investment managers and monitoring the existing ones, and an ongoing review of the portfolio's ESG characteristics compared to relevant benchmarks and peers. When we appoint new investment managers, the Charity believes it is important to consider the level of diversity, including (but not limited to) gender across the manager's investment team. The Charity has no direct investments in tobacco stocks. The Charity monitors exposure to tobacco through pooled funds, including passive index trackers as well as actively managed strategies, aiming to have less than 1% of equities in tobacco companies (i.e. approximately half or less vs the aggregated equity benchmark).

We have a strategic equity exposure achieved through investment in pooled equity funds. The Charity has made an allocation to a Sustainable Global Equity Fund. This aims to provide a positive tilt across a broad range of ESG factors, including reducing carbon emissions, relative to investment in a traditional global equity fund.

Going concern statement

The preparation of the accounts for the year ending 31 March 2023 has been undertaken on the basis that Barts Charity is a going concern.

As part of the assessment of the going concern basis of the Charity, scenario analysis and a multi-year projection of reserve levels has been undertaken. This has demonstrated that the Charity is expected to hold sufficient assets to meet its reserve policy levels, as set out above. Our portfolio is sensitive to movements in investment values, but it still has sufficient liquidity to meet its obligations and is able to meet its planned grant commitments without being a forced seller of assets. Based on these assessments, the Trustees have determined the Charity to be a going concern and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Barts Charity's aims and objectives and in planning future activities and setting the grant-making policy for the year. The Trustees consider that our charitable activities for the improvement of healthcare are all for the public benefit.

Fundraising policy

We are very grateful to our supporters, who contribute significantly to our work. They give generously in terms of donations and carrying out fundraising activities in our community.

We aim to fundraise in a way that is compelling, respectful and in-keeping with our values.

The Charity is registered with the Fundraising Regulator and is committed to adhering to the Code of Fundraising Practice. We are also members of the Institute of Fundraising and refer to their best practice guidance. Our own practice and policies make sure that no individual, including vulnerable people, are put under undue pressure to make a donation. In the year to 31 March 2023, more than 1,200 people and organisations supported us through donations or fundraising and we received no complaints related to fundraising. We have refreshed our privacy statement in line with the UK General Data Protection Regulation (UK GDPR). This and our complaints policy are freely available on our website.

In 2022/23, we received 18 legacies and six donations from individuals over £5,000. Organisations which made donations over £5,000 include:

Bank of Montreal
Monday Charitable Trust
Charles S French Charitable Trust
CSL Behring UK
SC Cousins Scaffolding Ltd
Douglas Allen Foundation
Terumo
Global Kidney Foundation
Rosetrees Trust
Kilby Jones LLP

Risk Management

Our Trustees have adopted a Risk Management Policy and regularly review the major risks to which Barts Charity is exposed. Risks are assessed by their likelihood and impact, and also their velocity (speed to impact). Where appropriate, systems and procedures have been established to mitigate risks, and these are also reviewed regularly. The risks and mitigations are recorded in a risk register which is reviewed regularly by the senior management team and submitted quarterly to the Finance and Audit Committee for consideration.

The major strategic risks and principal mitigations on 31 March 2023 are set out below.

Risk	Actions to manage the risk
Funding Impact of inflation on significant capital projects under development.	• Include contingency in costs surrounding capital builds and potential inflationary increases in costs between design and point of tender. • Expert review of significant capital projects under development. Charity representation on relevant project and design boards to ensure we have early sight on arising risks.
Fundraising Economic environment and a number of competing healthcare capital appeals make it harder to achieve our Barts 900 Campaign fundraising target.	• Investment in campaign strategy, team and resources to optimise chances of meeting targets. • Healthy pipeline of major donors means we are on course to meet target.
Fundraising and communications A more politicised environment around healthcare funding and cost pressures may cause us reputational risk by association.	• Regular communications between with Barts Health NHS Trust senior team. • Close relations with Barts Health's communications teams. • Regular dialogue with potential major donors.
Endowment Period of stagflation means that endowment asset allocation does not generate our target annual return and potentially results in a real term fall in value.	• Asset allocation includes assets which tend to be more inflation-resilient, such as property and equities (including listed infrastructure). • Allocations to asset classes with greater focus on contractual income, such as property, private debt and growth fixed income. • Make investments for the long term and have a significant buffer above a minimum reserve level so that the Charity can withstand periods of lower return without having an impact on our operations or funding.
How we work We suffer financial/reputational loss as a result of a cyber security incident/ data breach.	• Additional IT security has been put in place in partnership with our IT partners. • During the year, we obtained Cyber Essentials status, a UK government-backed accreditation scheme, and began working towards Cyber Essentials Plus.

Structure, Governance & Management

Constitution

Barts Charity is a company limited by guarantee (registration number 07168381) and a registered charity in England and Wales (registration number 212563). It is governed by Articles of Association most recently updated on 12 December 2016. It is fully independent of the Department of Health and Social Care and regulated only by the Charity Commission.

The Board has assessed its governance against the Charity Commission's Governance Code for larger charities and is pleased to report high levels of compliance against the suggested standards. An area of continued focus for the Board is to ensure that the Charity is representative of its grantees and the communities it serves across both staff and non-executives.

Charitable purposes

Our charitable purposes relate to hospital services (including research), or to any other part of the health service associated with any hospital as our Trustees think fit. In practice, we focus our support for improvement and innovation in healthcare on the Barts Health group of hospitals and FMD. We also support School of Health and Psychological Sciences at City, University of London We carefully consult with representatives of our grantee organisations to make sure they are aligned with our strategic priorities and to secure the greatest impact from our funding. But we retain our independence to act in the best interests of Barts Charity and the community we serve.

Non-executives and committees

Barts Charity acts through its Board of Directors (who are known as Trustees). As of 31 March 2023, there were 12 Trustees. Since then, one Trustee has resigned and another has been appointed. All Trustees give of their time freely and no Trustee remuneration is paid. Details of Trustee expenses and related transactions are disclosed in Notes 13 and 14 to the accounts. Trustees are required to disclose all relevant interests and register them with the Company Secretary and, in accordance with the Charity's policy, withdraw from decisions where a conflict of interest arises.

Power to appoint new Trustees lies with the existing Board, in accordance with the provisions of our Articles of Association. All Trustees are appointed for a fixed term of not more than three years, renewable to a maximum of nine years in total. Exceptionally, the Board may decide to extend this maximum term for a Trustee in appropriate circumstances.

The Board has established a series of committees so that much of the Charity's detailed governance work can be conducted by groups of Trustees and specialist members with the most relevant experience and expertise. Committee membership is confirmed annually. Board Advisers are appointed for a term of two years renewable to five in total. Specialist committee members who aren't Trustees are appointed annually, renewable up to a total term of five years. All new Trustees and committee members have an induction programme. During this they become familiar with key constitutional and operating documents, meet senior Trustees and management, and tour the hospitals that we work with.

The Board and each committee conduct an annual review of their performance in accordance with the Charity's Performance Review Policy against a checklist of questions. These cover matters such as objects, terms of reference, relationship with executive, documentation, conduct of meetings and skill set.

The Board has established a Scientific Review Panel to supplement the peer review of research grant applications. We are fortunate to be able to call on a team of eminent scientists from across the UK with appropriate expertise relative to the subject matter of the applications. They meet to discuss the full applications and submit their views and recommendations to the Grants Committee for its consideration. Final decision-making authority rests with the Grants Committee for funding requests up to £650,000 and with the Board for requests over this amount.

Management arrangements

The Trustees delegate the management of the charity to the staff team led by the Chief Executive and the Senior Management Team (SMT). The Chief Executive has been in place since May 2016.

Staff remuneration

Staff remuneration is closely scrutinised to ensure that we can attract and retain the best talent, while keeping salaries aligned with the market. We use a live salary database run by specialist reward consultants to create and monitor the benchmark salary range for each role, taking into account a number of factors. This includes comparable sectors, the nature and seniority of the role, our location, number of employees and turnover.

We review all staff salaries every year inflation and data from comparable foundations, the Association of Medical Research Charities, the Association of Charitable Foundations and the wider third sector. Increases are applied from 1 April each year. The Charity reserves the discretion not to award an increase, especially when an employee's salary is already at the top of their benchmark range. The same principles apply to the pay of the SMT, which is approved by the Appointments and Remuneration Committee.

Pension

The Charity operates a non-contributory individual money-purchase scheme for all eligible members of staff, contributing the equivalent of 8% of pensionable salary to each employee's fund (10% for SMT members). Employees can additionally choose to make employee contributions to their pension as a deduction from their salary. The scheme is fully compliant with auto-enrolment regulations.

Regulatory

Registered and principal office
12 Cock Lane
London
EC1A 9BU

Company registered number: 07168381

Charity registered number: 212569

Non-executives – *includes changes up to date of signing (3 August 2023)*

Trustees
Andy Bruce, Chair
Vijay Bharadia (to April 2022)
Claire Brown (to March 2023)
Sally Flanagan
Professor Catherine Godson
Ian Hart, Deputy Chair
Professor Dame Parveen Kumar
Dr Richard Lewis
Jean Murphy
Nimesh Patel (from January 2023)
Professor David Rampton (to September 2022)
Dr Thomas Round
Rt Hon Jacqui Smith (ex officio Trustee, Chair of Barts Health NHS Trust)
Dr Lorna Williamson OBE

Board Adviser
Moira Gitsham (communications)

Appointments and Remuneration Committee
Andy Bruce, Chair
Sally Flanagan
Ian Hart

Finance and Audit Committee
Claire Brown, Chair (to March 2023)
Nimesh Patel, Chair (from April 2023)
Vijay Bharadia (to April 2022)
Ian Hart
Dr Richard Lewis
Mohammad Memon

Grants Committee
Dr Lorna Williamson (Chair)
Professor Mirela Delibegovic (from September 2022)
Professor Adrian Dixon
Professor Catherine Godson
Dr Richard Lewis (to April 2022)
Professor Sarah Purdy OBE (from January 2023)
Professor David Rampton (to September 2022)
Professor Kanchan Rege Thrasher (from September 2022)
Dr Thomas Round
Dr Ultan McDermott (from June 2022)

Investment Committee
Sally Flanagan, Chair
Andy Bruce
Philip Glaze
Ian Hart
Jean Murphy

Senior Management Team
Fiona Miller Smith, Chief Executive
Fiona Bickley, Chief Operating Officer
Hannah Daws, Director of Marketing and Communications (to March 2023)
Steve Harris, Chief Finance Officer (to April 2022)
Victoria King, Director of Funding and Impact
David Lyon, Interim Finance Director (April to September 2022)
Ilia Ralphs, Director of Fundraising
Prabhakar Sundaresan, Director of Finance and Resources (from September 2022)

Advisors

Bank
National Westminster Bank plc
1 Princes Street
London
EC2R 8BP

Auditor
BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 OPA

Legal Advisors
BDB Pitmans LLP
50 Broadway
Westminster
London
SW1H OBL

Taylor Wessing LLP
5 New St Square
Holborn
London
EC4A 3TW

Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London
EC1A 2FG

HR Benefits Advisors
Anderson Financial Management Ltd
Saville Court
11 Saville Place
Bristol
BS8 4EJ

Property Advisors
Swiss Life Asset Managers UK Ltd (from April 2023)
55 Wells Street
London
W1T 3PT

Gryphon Property Partners (to March 2023)
12 Austin Friars
London
EC2N 2HE

Workman LLP
80 Cheapside
London
EC2V 6EE

Investment Advisor
Mercer
1 Tower Place
West Tower Place
EC3R 5BU

Global Custodian
The Northern Trust Company
50 Bank Street
Canary Wharf
London
E14 5NT

Insurance Broker
Willis Towers Watson Ltd
51 Lime Street
London
EC3M 7DQ

Statement Of Trustees' Responsibilities

The Trustees are responsible for preparing the Strategic Report, the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose, with reasonable accuracy at any time, the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

This Trustees' report, incorporating the Strategic Report, was approved by the Board of Trustees of Barts Charity on 6 July 2023 and signed on its behalf.

Andy Bruce
Chair
Date: 3 August 2023

Annual Report 2022 – 2023

Independent auditor's report to the members of Barts Charity

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Barts Charity ("the Charitable Company") for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic Report or the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on our understanding of the Charitable Company and the sector in which it operates, we considered the extent to which non-compliance might have a material effect on the Charitable Company's financial statements. As part of our discussions with management, we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes.

Where possible, we obtained and reviewed corroborating documentation. Appropriate audit procedures included the review of the Charitable Company's documentation of risks and associated mitigating actions, review of Trustee Board, Finance & Audit Committee and Investment Committee meeting minutes, and enquiries regarding any matters identified as a Serious Incident reportable to the Charity Commission.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. In doing so, we had regard to the Charitable Company's own assessment of the risks that irregularities may occur either as a result of fraud or error and held discussions to consider whether there was any knowledge of actual, suspected or alleged fraud. We held a discussion among the engagement team as to how and where fraud might occur in the financial statements. We also considered financial performance and key drivers for any identified performance targets, and considered the consequent risk that the financial statements may be fraudulently misstated.

We completed the following procedures:

- performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, we tested journal entries and other adjustments for inappropriate or unusual journals outside of our expectations, as well as for any significant transactions outside the normal course of business, taking into consideration the scope for management to manipulate financial results through the timing of the recognition of income or grant commitments;
- assessed the appropriateness of key estimates and judgements made by management and challenged the assumptions used in accounting estimates. We considered the key estimates to be the valuation of unlisted financial investments and investment properties, the valuation of heritage assets, specific aspects of income recognition, the calculation of current and non-current grant commitment liabilities and the cost allocation methodology.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fiona Condron, Senior Statutory Auditor
For and on behalf of BDO LLP, statutory auditor
London, UK

Date: 7 August 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Financial Activities

(incorporating an income and expenditure account)

for the financial year ended 31 March 2023

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2023 Total funds £'000	2022 Total funds £'000
Income						
Voluntary income	2.1	1,064	1,653	-	**2,717**	3,043
Investment income	2.2	9,182	-	-	**9,182**	11,468
Total income		10,246	1,653	-	**11,899**	14,511
Expenditure						
Total costs of raising funds	3.1	7,156	-	-	**7,156**	5,707
Charitable activities	3.1	27,340	18,053	-	**45,393**	28,853
Total expenditure		34,496	18,053	-	**52,549**	34,560
Net expenditure before revaluation of investments		(24,250)	(16,400)	-	**(40,650)**	(20,049)
(Losses)/Gains on revaluation and disposal of investment assets	7.2	(1,142)	-	(6,252)	**(7,394)**	38,412
Net (expenditure)/income		(25,392)	(16,400)	(6,252)	**(48,044)**	18,363
Transfers between funds	11	(16,037)	16,037	-	**-**	-
Net movement in funds		(41,429)	(363)	(6,252)	**(48,044)**	18,363
Fund balances brought forward at 1 April 2022		68,977	16,130	364,261	**449,368**	431,005
Fund balances carried forward at 31 March 2023		**27,548**	**15,767**	**358,009**	**401,324**	**449,368**

All activities relate to continuing activities. The Notes on page 25 to 43 form part of these financial statements.

Statement of Financial Position

as at 31 March 2023

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2023 Total funds £'000	2022 Total funds £'000
Fixed assets						
Tangible operational fixed assets	5a	143	-	-	**143**	40
Intangible operational fixed assets	5b	58	-	-	**58**	121
Heritage assets	6	-	-	16,600	**16,600**	16,600
Investments	7	139,570	15,767	341,409	**496,746**	516,074
Total fixed assets		**139,771**	**15,767**	**358,009**	**513,547**	532,835
Current assets						
Debtors	8.1	2,341	-	-	**2,341**	3,170
Cash at bank and in hand	8.2	4,447	-	-	**4,447**	7,524
Total current assets		**6,788**	**-**	**-**	**6,788**	10,694
Creditors: amounts falling due within one year	9	(26,387)	-	-	**(26,387)**	(20,568)
Net current liabilities		**(19,599)**	-	-	**(19,599)**	(9,874)
Creditors: amounts falling due after more than one year	10	(92,624)	-	-	**(92,624)**	(73,592)
Total net assets		**27,548**	**15,767**	**358,009**	**401,324**	449,368
Funds						
Endowment funds	11.1	-	-	358,009	**358,009**	364,261
Income funds						
Restricted funds	11.2	-	15,767	-	**15,767**	16,130
Unrestricted funds						
Designated funds	11.3	366	-	-	**366**	434
General funds	11.3	27,182	-	-	**27,182**	68,543
Total funds		**27,548**	**15,767**	**358,009**	**401,324**	**449,368**

Company registration number 07168381.

The Notes on page 25 to 43 form part of these financial statements.

Andy Bruce
Chair of Trustees

Nimesh Patel
Chair of Finance and Audit Committee

Date: 3 August 2023

Cash Flow Statement

for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities:			
Net cash used in operating activities	12.1	**(13,626)**	(23,212)
Cash flows from investing activities:			
Dividends, interest and rents from investments		**9,182**	11,468
Payments to acquire tangible fixed assets		**(166)**	-
Payments to acquire investment assets		**(177,367)**	(59,839)
Receipts from sales of investment assets		**178,900**	60,180
Net cash provided by investing activities		**10,549**	11,809
Change in cash and cash equivalents in the year		**(3,077)**	(11,403)
Cash and cash equivalents at the beginning of the year		**7,524**	18,927
Cash and cash equivalents at the end of the year	12.2	**4,447**	7,524

The Notes on page 25 to 43 form part of these financial statements.

Financial statements

for the year ended 31 March 2023

Notes to the accounts

1 Accounting policies

Barts Charity is a private company limited by guarantee. It is a charitable company registered in England (company number 07168381, charity number 212563) and its registered address is 12 Cock Lane, London, EC1A 9BU. These financial statements are presented in pounds sterling (GBP), as that is the currency in which the majority of the charity's transactions are denominated and are the financial statements for the year ended 31 March 2023 rounded to the nearest thousand pounds.

A. Accounting convention

The financial statements have been prepared under the historic cost convention, with the exception of investments and heritage assets, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (2nd edition): Accounting and Reporting by Charities issued in October 2019, the Financial Reporting Standards 102 applicable in the UK and Republic of Ireland (FRS102), and the Charities Act 2011. The Charity constitutes a public benefit entity as defined by FRS 102.

B. Going concern

The preparation of the accounts for 2022/23 has been undertaken on the basis that Barts Charity is a going concern. The Charity currently meets day to day working capital requirements through its existing cash facilities. In conjunction with the Charity's investment advisors modelling has been undertaken incorporating expected asset values of the portfolio in stressed scenarios and net spending over the next 10 years.

This has demonstrated that the Charity is expected to hold suffcient assets to meet its reserve policy levels. Whilst the Charity's portfolio is sensitive to movements in investment values, it still has suffcient liquidity to meet its obligations and can meet its planned grant commitments without being a forced seller of assets.

Based on these assessments the Trustees have not identified any material uncertainties relating to going concern. The Trustees have therefore determined the Charity to be a going concern and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate.

C. Accounting judgements and estimates

In preparing the financial statements, the Trustees have made judgements, estimates and assumptions that affect the application of the Charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. These estimates and judgements are continually reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key judgements and estimates are:

a. Valuation of property

A full property valuation is undertaken tri-annually with an annual desktop valuation in the years between. A full property valuation was completed for 2022/23 by Knight Frank LLP, Chartered Surveyors, (refer to Note 1, Section I). The valuation has been prepared using a fair value basis, being the price that would be received to sell an asset, in an orderly transaction, between market participants at the measurement date.

b. Valuation of private equity and private credit investments

Due to the nature of private investments, there is no quoted market price for the funds. The value at the balance sheet date is deemed to be the most recent valuation from the private investment group, adjusted for those cashflows up to and including the balance sheet date. This is then reviewed in light of valuations which become available post the balance sheet date up to accounts signature.

c. Grant creditors settled over a multi-year time period

Many grant commitments will be settled over multiple financial years and so the short and long-term grant creditor balances represent the best estimate of the expected cash outflows, as at the balance sheet date. This is based on historical

drawdown levels and the status of existing grants. The time value of money is considered annually and adjusted in the accounts if material.

d. Allocation of income, expense and gain/loss to restricted and endowment funds

In preparing the financial statements, judgements and estimates have been made in relation to the extent of allocation to the restricted and endowment funds.

e. Valuation of accrued dividend income

Dividend income from the Charity's investments is accrued at the year-end, in line with historical and commercial expectations.

f. Heritage assets

Heritage Assets are not depreciated but are revalued every five years, with the last valuation completed by Gurr John's International, auctioneers and valuers, in March 2019. Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities. Please refer to Note 6 for further details.

D. Fund structure

a. Restricted funds are funds for which a legal restriction exists over their use and related income is restricted to the purpose of the fund, as set out in Note 11.2.

b. Endowment funds include the following:

(i) Permanent endowment funds: capital is held in perpetuity, but the related income may be used for unrestricted or restricted purposes, as specified by the donor.

(ii) Expendable endowment: donations received by the hospitals of Barts Health NHS Trust prior to 5 July 1948 (the date on which the NHS was established). The income and capital are available for such expenditure related to sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4, of the National Health Service Act 2006 (see c(i) below).

c. Unrestricted funds and their related income are available for use at the discretion of the Trustees for general charitable purposes relating to the following:

(i) General

Sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4 of the National Health Service Act 2006: To hold the property on trust for such purposes relating to hospital services (including research), or to any other part of the health service associated with any hospital, as the person holding the property thinks fit.

(ii) Designated

The Trustees have chosen to earmark these funds for specific areas within the general charitable purposes (refer to Note 11.3).

E. Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Legacy, income is recognised when three criteria are met: entitlement is established, receipt of the income is probable and it can be reliably measured. Where legacies have been notified to Barts Charity and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed, if material.

Rental income from investment properties is reported as operating leases and the lease incentives are amortised on a straight-line basis.

Dividend income from the Charity's investments is accrued at the year-end, in line with historical and commercial expectations.

F. Expenditure

All expenditure is accounted for on an accruals basis. Direct costs of generating funds (including fundraising), charitable activities and support costs are charged to the relevant category or activity, according to the area to which the expenditure relates. Support and governance costs incurred that relate to more than one cost category are apportioned, based on full time equivalent staff numbers in each area. Charitable activities include grants that have been approved during the year.

G. Grant commitments

Grant commitments are recognised when the following conditions have been fulfilled : (1) the receipt of necessary approvals for the grant from the Trustees, and (2) the communication of the approval to the grant recipient. Grants are discounted to reflect the time value of money, if this is considered material to the financial statements.

H. Fixed assets

Operational fixed assets (tangible or intangible) are capitalised when a separable asset can be identified with a value of £10,000 or more (inclusive of irrecoverable VAT), and where the estimated useful life of the asset (without the need for additional spend) can be estimated as three years or more.

a. Tangible fixed assets

Tangible fixed assets are included in the Statement of Financial Position at cost less accumulated depreciation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and any impairments are shown as reducing both the initial cost and brought forward depreciation. Depreciation is charged on a straight line basis to support costs over their estimated useful lives (fixtures, fittings and equipment – five years).

b. Intangible fixed assets

Intangible fixed assets are included in the Statement of Financial Position at cost less accumulated amortisation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and any impairments are shown as reducing both the initial cost and brought forward amortisation. Amortisation is charged on a straight line basis to support costs over their estimated useful lives (IT software – three years).

c. Heritage assets

Heritage assets are capitalised and include: art collections, historic archives, sculptures, ceramic surgical instruments, uniforms, teaching materials, and other items. They are reported on the balance sheet at their insured values, which are based on replacement values in the retail market or, where appropriate, in the second-hand retail market with items of a similar nature, age, condition and quality. They are not depreciated but are revalued every five years, with the last valuation completed by Gurr John's International, auctioneers and valuers, in March 2019. Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities. Assets are reviewed regularly for significant damage and appropriate remedial works are carried out wherever possible to preserve the assets or prevent further deterioration. See Note 6 for further details.

I. Investments

Quoted investments are stated at market value at the year-end date. Asset purchases and sales are recognised at the date of trade. Unquoted pooled financial investments are valued based on the number of units held and the price per unit provided by the custodian or fund manager.

These net asset valuations are calculated independently by third party administrators and are subject to annual audit. Private investments are held through funds managed by private investment groups. As there is no identifiable market price for private investment funds, these funds are included at the most recent valuations from the private investment groups and adjusted for cash flows if the valuation is not available at the balance sheet date.

The annual market valuation of Barts Charity's investment properties has been carried out in accordance with the current editions of the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards, incorporating the International Valuation Standards and the RICS UK National Supplement. The valuations were carried out by Knight Frank LLP, Chartered Surveyors, who have been instructed as our external valuer to value Barts Charity's freehold and long leasehold interests at 31 March 2023. They have reported their opinion of the aggregate of the values of Barts Charity's interest in the individual buildings.

J. Realised and unrealised gains and losses

Realised and unrealised gains and losses on investment assets are included in gains and losses on investment assets' within the Statement of Financial Activities.

K. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at their fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method, less any impairment.

Long term debtors are defined as fully recoverable amounts outstanding for more than 12 months at the balance sheet date.

L. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

M. Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of a change in value.

N. Financial Instruments

Basic financial instruments are initially recognised at their transaction value and subsequently measured at their fair value, as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Charity does not acquire put options, derivatives or other complex financial instruments directly. Where individual investment managers have discretion to use financial instruments, valuation is in line with market practice.

O. Pensions contributions

The cost of employer contributions to the NHS Pension Scheme and the Defined Contribution Scheme are charged to the Statement of Financial Activities.

Certain past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of benefits payable under these provisions can be found on the **NHS Pensions Website**. The scheme is an unfunded, defined benefit scheme, preparing its own statements, that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contributions one: the cost to an NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme. Applicable rates for employee contributions for the NHS Pension Scheme were 13.5% for both 2022/23 and 2021/22. Employer contributions were 14.38% for both 2022/23 and 2021/22.

Employees employed after 1 April 2011 can choose to belong to a Defined Contribution Scheme which is a Group Personal Pension Scheme. For 2022/23, the rates of employer contribution for the Defined Contribution Scheme were 10% for SMT and 8% for other staff (unchanged from 2021/22). Employee contributions are voluntary.

Financial statements

for the year ended 31 March 2023

Notes to the accounts

2. Income

2.1. Voluntary income

	Unrestricted income £'000	Restricted income £'000	Endowment income £'000	2023 Total income £'000
Donations	**433**	**777**	**-**	**1,210**
Legacies	**631**	**876**	**-**	**1,507**
Total 2023	**1,064**	**1,653**	**-**	**2,717**

	Unrestricted income £'000	Restricted income £'000	Endowment income £'000	2022 Total income £'000
Donations	145	1,503	-	1,648
Legacies	581	814	-	1,395
Total 2022	726	2,317	-	3,043

2.2. Investment income

	2023 £'000	2022 £'000
Investment properties	3,602	3,846
Investments listed on stock exchanges	4,146	5,880
Private investments	1,273	1,741
Interest on cash held as part of the investment portfolio	161	1
Total	9,182	11,468

Financial statements

for the year ended 31 March 2023

Notes to the accounts

3. Expenditure

3.1. Total expenditure

	Costs of raising funds £'000	Charitable expenditure £'000	Support costs £'000	2023 Total expenditure £'000
Direct expenditure				
Grants – Research	**-**	**31,124**	**-**	**31,124**
Grants – Service delivery	**-**	**11,581**	**-**	**11,581**
Grants written back – Research	**-**	**(303)**	**-**	**(303)**
Non-grant charitable expenditure	**-**	**1,206**	**-**	**1,206**
Costs of generating income				
Financial and property investment	**4,196**	**-**	**-**	**4,196**
Fundraising	**369**	**-**	**-**	**369**
Total direct expenditure	**4,565**	**43,608**	**-**	**48,173**
Staff and support costs				
Salaries, social security and pension costs	**770**	**630**	**1,138**	**2,538**
Other staff and related costs	**35**	**3**	**264**	**302**
Marketing and communications	**-**	**-**	**210**	**210**
Legal, accounting and IT	**-**	**-**	**498**	**498**
Office costs	**-**	**-**	**571**	**571**
Grant administration	**-**	**20**	**-**	**20**
Loss on disposal of operational fixed assets	**-**	**-**	**19**	**19**
Irrecoverable VAT	**218**	**-**	**-**	**218**
Subtotal staff and other costs	**1,023**	**653**	**2,700**	**4,376**
Allocation of staff and overheads	**1,568**	**1,132**	**(2,700)**	**-**
Total	**7,156**	**45,393**	**-**	**52.549**

Financial statements

for the year ended 31 March 2023

Notes to the accounts

	Costs of raising funds £'000	Charitable expenditure £'000	Support costs £'000	2022 Total expenditure £'000
Direct expenditure				
Grants – Research	-	15,918	-	15,918
Grants – Service delivery	-	11,400	-	11,400
Grants written back – Research	-	(1)	-	(1)
Grants written back – Service delivery	-	(5)	-	(5)
Costs of generating income				
Financial and property investment	2,955	-	-	2,955
Fundraising	240	-	-	240
Total direct expenditure	3,195	27,312	-	30,507
Staff and support costs				
Salaries, social security and pension costs	725	478	964	2,167
Other staff and related costs	38	7	217	262
Marketing and communications	-	-	168	168
Legal, accounting and IT	-	-	612	612
Office costs	-	-	452	452
Grant administration	-	36	-	36
Loss on disposal of operational fixed assets	-	-	85	85
Irrecoverable VAT	271	-	-	271
Subtotal staff and other costs	1,034	521	2,498	4,053
Allocation of staff and overheads	1,478	1,020	(2,498)	-
Total	5,707	28,853	-	34,560

Although Barts Charity maintains regular contact with grant-holders, there are occasions when planned expenditure is not achievable and the related grant accrual is reversed.

3.2. Direct charitable expenditure by institution

	2023 Total £'000	2022 Total £'000
Barts Health	**32,190**	11,059
Barts and the London SMD	**9,340**	15,774
Other	**335**	171
Grant funded activity	**41,865**	27,004
Direct other spending	**1,743**	308
Total grants awarded	**43,608**	27,312

Financial statements

for the year ended 31 March 2023

Notes to the accounts

4. Employees

4.1. Analysis of staff costs

	2023 Total £'000	2022 Total £'000
Salaries and wages	**2,105**	1,816
Social security costs	**261**	195
Other pension costs	**172**	156
Total	**2,538**	**2,167**
Average monthly number of full-time equivalents	**37**	31
Average head count	**38**	30

Staff costs include termination payments of £28,523 to two employees (£111,003 to three employees in 2021/22). Of the above, termination payments to key management personnel totalled £21,328 to one employee in 2022/23 (£60,990 to one employee in 2021/22).

4.2. Higher paid employees

The following number of employees received emoluments falling within the ranges indicated:

	2023	2022	2023 £'000	2022 £'000	2023	2022
	Number of employees		Value of pension contributions		Number of staff in receipt of pension contributions	
£60,000 to £70,000	**4**	4	**21**	16	**4**	4
£70,001 to £80,000	**-**	1	**-**	11	**-**	1
£80,001 to £90,000	**1**	1	**11**	4	**1**	1
£90,001 to £100,000	**1**	2	**14**	14	**1**	2
£100,001 to £110,000	**2**	2	**21**	20	**2**	2
£160,001 to £170,000	**-**	1	**-**	17	**-**	1
£170,001 to £180,000	**1**	-	**17**	-	**1**	-

Key management personnel (the senior management team of the charity) received aggregate employee benefits of £841,454 in 2022/23 (£971,929 in 2021/22).

Annual Report 2022 – 2023

Financial statements

for the year ended 31 March 2023

Notes to the accounts

5. Operational fixed assets

5a. Tangible operational fixed assets

At Cost	Office equipment £'000
As at 1 April 2022	173
Additions	166
Disposals	(173)
Balance at 31 March 2023	**166**
Depreciation:	
As at 1 April 2022	133
Charge for the year	43
Disposals in the year	(153)
Balance at 31 March 2023	**23**
Net book value at:	
31 March 2023	**143**
31 March 2022	40

5b. Intangible operational fixed assets

At Cost	Software £'000
As at 1 April 2022	214
Additions	-
Disposals	-
Balance at 31 March 2023	**214**
Amortisation:	
As at 1 April 2022	93
Charge for the year	63
Disposals in the year	-
Balance at 31 March 2023	**156**
Net book value at:	
31 March 2023	**58**
31 March 2022	121

Financial statements

for the year ended 31 March 2023

Notes to the accounts

6. Heritage assets

	2023 £'000	2022 £'000
Valuation at start of year	**16,600**	16,600
Revaluation	**-**	-
Valuation at end of year	**16,600**	16,600
Type of heritage assets:		
Antique furniture	**1,253**	1,253
Paintings, prints and drawings	**8,792**	8,792
Books and manuscripts	**3,003**	3,003
Other	**3,552**	3,552
Total	**16,600**	16,600

Paintings, prints and drawings include two William Hogarth paintings which have been valued at £3m and £2.6m respectively (£3m and £2.6m in 2021/22). Other heritage assets include clocks, barometers, works of art, sculptures, ceramics, glass, silver and gold. Heritage Assets are not depreciated but are revalued every five years with the last valuation completed by Gurr John's International, auctioneers and valuers, in March 2019.

Heritage Assets are included within the endowment fund and are revalued every five years with the most recent valuation being for March 2019. Prior to this, the asset valuations for 2013/14, 2014/15, 2015/16, 2016/17 and 2017/18 were based on the March 2014 valuation which was £14.428m. (See Note 1, Section H, part c). This is the only change in the last five years.

Annual Report 2022 – 2023

Financial statements

for the year ended 31 March 2023

Notes to the accounts

7. Investments

7.1. Analysis of fixed asset investments

	Property £'000	Financial £'000	2023 Total £'000	2022 Total £'000
Fixed asset investments				
Market value at 1 April 2022	**76,125**	**439,949**	**516,074**	480,603
Less: Disposals proceeds	**-**	**(178,900)**	**(178,900)**	(60,180)
Add: Acquisitions at cost	**-**	**177,367**	**177,367**	59,839
Net (loss)/gain on revaluation and disposals	**(4,565)**	**(13,230)**	**(17,795)**	35,812
Total	**71,560**	**425,186**	**496,746**	516,074

Cash is held within the investment portfolio, predominantly to fund private investment capital calls and is shown separately in the table above, to distinguish from return-bearing assets.

	2023 Total £'000	2022 Total £'000
Market value at 31 March:		
Investment properties	**71,560**	76,125
Investments listed on stock exchanges	**344,943**	372,552
Private investments	**79,917**	66,081
Instant access money market funds held within the investment portfolio	**326**	1,316
Total	**496,746**	516,074

	2023 Total £'000	2022 Total £'000
Market value at 31 March:		
Unrestricted funds	**139,570**	152,284
Restricted funds	**15,767**	16,129
Endowment funds	**341,409**	347,661
Total	**496,746**	516,074

Financial investments held at 31 March 2023 include 16 unit trust funds, representing 81% of the total value, and 35 separate private investments (in 2021/22 16 unit trust funds representing 85% and 27 separate private investments).

At the year end, the Charity had undrawn commitments to private equity funds of £90m, which are expected to be called at various future dates, whilst the current investments in private equity funds will be expected to be realised by a return of capital. The carrying value of the private equity investments of £79.9m reported above represents the valuations of the funds at 31 March 2023, as provided by relevant fund managers and/or as computed by our global custodian. However, it is not possible for the Trustees to liquidate these investments prior to the future return of capital.

Financial statements

for the year ended 31 March 2023

Notes to the accounts

7.2. Analysis of gains and losses on revaluation and disposal of investment assets

	Unrestricted Funds £'000	Endowment Funds £'000	2023 Total £'000	2022 Total £'000
(Losses)/Gains on revaluation and disposal of financial investments	**(474)**	**(2,596)**	**(3,070)**	30,078
(Losses)/Gains on revaluation and disposal of property investments	**(705)**	**(3,860)**	**(4,565)**	5,734
Subtotal: gains and losses	**(1,179)**	**(6,456)**	**(7,635)**	35,812
Other currency gains	**37**	**204**	**241**	2,600
Total	**(1,142)**	**(6,252)**	**(7,394)**	38,412

An analysis of gross income arising from the property assets is set out in Note 2.2.

8. Current assets

8.1. Analysis of debtors

	2023 £'000	2022 £'000
Trade debtors	**1,204**	1,323
Prepayments	**63**	44
Accrued income	**1,035**	1,801
Other debtors	**39**	2
Total	**2,341**	**3,170**

All debtors in both 2023 and 2022 relate to unrestricted funds. Accrued income largely relates to income on financial investments and amortisation of a rent free period for related leases (see Note 1, Section E).

Included within accrued income is an amount of £0.7m which relates to rent amortisation due to be released after more than one year (31 March 2022: £0.6m).

Annual Report 2022 – 2023

Financial statements

for the year ended 31 March 2023

Notes to the accounts

8.2. Cash at the bank and in hand

	2023 £'000	2022 £'000
Cash in UK clearing bank accounts	**504**	991
Cash held with custodian	**3,943**	6,533
Total	**4,447**	7,524

9. Creditors due in one year

	2023 £'000	2022 £'000
Amounts falling due within one year as at 31 March:		
Trade creditors	**2,154**	530
Other creditors	**96**	292
Grant accruals	**23,467**	19,168
Deferred income	**670**	578
Total	**26,387**	20,568

Deferred income represents rent billed to tenants in advance for the first quarter of the following financial year.

	2023 £'000	2022 £'000
Deferred income brought forward	**578**	1,083
Released	**(2,777)**	(3,769)
Deferred	**2,869**	3,264
Deferred income at 31 March	**670**	578

10. Creditors due after more than one year

	2023 £'000	2022 £'000
Grant accruals	**92,624**	73,592

Financial statements

for the year ended 31 March 2023

Notes to the accounts

11. Funds – Year ended 31 March 2023

11.1. Endowment funds

	Balance as at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and (losses) £'000	Balance as at 31 March 2023 £'000
Aylwen Bursaries	3,230	–	–	–	(55)	**3,175**
Edward Hewlett	2,653	–	–	–	(46)	**2,607**
Hannington	1,045	–	–	–	(18)	**1,027**
Hamblen Thomas	326	–	–	–	(6)	**320**
MacCready Mann	321	–	–	–	(6)	**315**
Levy Family	278	–	–	–	(5)	**273**
MAEL Jones	257				(4)	**253**
Funds < £200k	521	–	–	–	(9)	**512**
Expendable endowments	355,630	–	–	–	(6,103)	**349,527**
Total	**364,261**	–	–	–	**(6,252)**	**358,009**

11.2. Restricted funds

Material funds (over £550k at the start of the year)

	Balance as at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and (losses) £'000	Balance as at 31 March 2023 £'000
Cardiac	2,358	170	(411)	–	–	**2,117**
Margaret Centre	1,044	17	(68)	–	–	**993**
Covid-19 response	586	–	(586)	–	–	**-**
Gastroenterology	645	–	–	–	–	**645**
East London Foundation Trust General Fund	1,012	23	(1,035)	–	–	**-**
IBD Research	1,123	–	(302)	–	–	**821**
Trauma	733	58	–	(350)	–	**441**
Others	8,629	1,385	(15,651)	16,387	–	**10,750**
Total	**16,130**	**1,653**	**(18,053)**	**16,037**	**-**	**15,767**

11.3. Designated and general funds

	Balance as at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and (losses) £'000	Balance as at 31 March 2023 £'000
Cardiac funds	122	–	–	–	–	**122**
Whipps Cross General fund	128	–	(49)	–	–	**79**
Funds up to £100k	184	–	(19)	–	–	**165**
Total designated funds	434	–	(68)	–	–	**366**
General funds	68,543	10,246	(34,428)	(16,037)	(1,142)	**27,182**
Total designated and general funds	**68,977**	**10,246**	**(34,496)**	**(16,037)**	**(1,142)**	**27,548**
Total funds	**449,368**	**11,899**	**(52,549)**	**-**	**(7,394)**	**401,324**

Financial statements

for the year ended 31 March 2023

Notes to the accounts

11.4.1. Endowment funds - comparatives

	Balance as at 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and (losses) £'000	Balance as at 31 March 2022 £'000
H F Bailey	1,240	–	–	(1,240)	–	–
Aylwen Bursaries	2,954	–	–	–	276	3,230
Edward Hewlett	2,426	–	–	–	227	2,653
JJ Guthrie Blandford and George Shuter Staff Benefit	445	–	–	(445)	–	–
Hannington	956	–	–	–	89	1,045
David Hughes	148	–	–	(148)	–	–
Bailey City and Hackney	299	–	–	(299)	–	–
Hamblen Thomas	298	–	–	–	28	326
MacCredady Mann	294	–	–	–	27	321
Levy Family	254	–	–	–	24	277
MAEL Jones	235	–	–	–	22	257
Funds < £200k	786	–	–	(310)	45	520
Expendable endowments	316,349	–	–	8,889	30,392	355,630
Total	326,684	–	–	6,447	31,130	364,261

11.4.2. Restricted funds - comparatives

Material funds (over £550k at the start of the year)

	Balance as at 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and (losses) £'000	Balance as at 31 March 2022 £'000
Cardiac	2,400	15	(57)	–	–	2,358
Margaret Centre	1,171	–	(48)	–	–	1,123
Covid-19 response	1,146	6	(566)	–	–	586
Gastroenterology	957	217	(130)	–	–	1,044
St Bartholomew's Hospital	646	–	–	–	–	646
Renal disease Research	564	24	(213)	–	–	375
Others	12,195	2,054	(4,251)	–	–	9,998
Total	19,079	2,316	(5,265)	–	–	16,130

11.4.3. Designated and general funds – comparatives

	Balance as at 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and (losses) £'000	Balance as at 31 March 2022 £'000
Cardiac funds	122	–	–	–	–	122
Whipps Cross General fund	128	–	–	–	–	128
Funds up to £100k	184	–	–	–	–	184
Total designated funds	434	–	–	–	–	434
General funds	84,810	12,194	(29,296)	(6,447)	7,282	68,543
Total designated and general funds	85,244	12,194	(29,296)	(6,447)	7,282	68,977
Total funds	431,005	14,511	(34,561)	–	38,412	449,368

Financial statements

for the year ended 31 March 2023

Notes to the accounts

11.5. Funds (additional)

Endowment funds
Note 1, Section D on page 26 provides further details of the endowment fund structure. There were no other income, expenditure or transfers in 2022/23. Expenses have not been charged to the endowment funds. Due to the historic nature of these, there is no certainty that the terms of the trust of the endowed gift would allow this. In conjunction with ongoing works to consider the provenance of these funds, we continue to review this methodology.

Restricted funds
Note 1, Section D on page 26 provides further details of the restricted fund structure. There was no allocation of interest or expense to the funds in 2022/23, given that they are funded from readily available cash. The Charity is continuing a review of its restricted funds at hospital sites. The target is to consolidate these into fewer funds with more flexible purposes at each site in order to promote more effective expenditure. This work is ongoing.

Details of significant funds

Name of fund	Nature and purpose of fund
Cardiac	Treatment of and research into cardiac disease
Margaret Centre	Provision of palliative care at the Margaret Centre (Whipps Cross Hospital)
Covid-19 response	Emergency fund set up to provide an immediate response to the Covid-19 pandemic
Gastroenterology	Gastroenterology unit (Whipps Cross Hospital)
ELFT	East London Foundation Trust General Fund - Staff and patient welfare
IBD Research	Research into Crohns' disease
Trauma	For any purpose relating to trauma

Transfers between funds

Transfers between funds represent transfers from general funds to restricted funds to cover overspends on restricted funds.

11.6. Prior year distribution of net assets

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2022 Total funds £'000
Distribution of net assets between funds				
Total fixed assets	152,444	16,130	364,261	532,835
Current assets	10,694	-	-	10,694
Current liabilities	(20,568)	-	-	(20,568)
Creditors: amounts falling due after more than one year	(73,592)	-	-	(73,592)
Total net assets	68,977	16,130	364,261	449,368
Net gains on investments and heritage assets	**7,282**	**-**	**31,130**	**38,412**

Annual Report 2022 – 2023

Financial statements

for the year ended 31 March 2023

Notes to the accounts

12. Notes to the cash flow statement

12.1. Net cash used in operating activities

	2023 £'000	2022 £'000
Net cash used in operating activities		
Net (expenditure)/income for the year	(48,044)	18,363
Adjustments for:		
Losses/(Gains) on revaluation and disposal of investment assets	17,795	(35,812)
Investment income	(9,182)	(11,468)
Depreciation charges	106	102
Loss on disposal of fixed assets	19	85
Change in debtors	829	157
Change in creditors	24,851	5,361
Cash outflow from operating activities	**(13,626)**	**(23,212)**

12.2. Analysis of changes in cash and cash equivalents

	2022 £'000	Movement £'000	2023 £'000
Cash in hand and at the bank	7,524	(3,077)	**4,447**

As at 31 March 2023, the Charity had no loans, leases or other financial instruments classified as debt (2022: none).

Financial statements

for the year ended 31 March 2023

Notes to the accounts

13. Trustee transactions

	2023		2022	
	£	No	£	No
Trustee expenses				
Reimbursement of fees	8,912	16	136	1
Hospitality expenses	913	2	249	2
Total	9,825	18	385	3

Premiums for Trustee indemnity insurance were paid by the Charity on the part of Trustees, £9,017 (2021/22: £4,210).

14. Related party donations

The total amount of related party donations made, without conditions, was £4,680 (2021/22: £4,200).

The total amount of related party donations with conditions was £Nil (2021/22: £20).

15. Operating leases

15.1. Operating lease income

The Charity generates income from leasing out space within its investment properties.
The future minimum lease payments receivable under non-cancellable operating leases are:

	2023 £'000	2022 £'000
Not later than one year	**3,204**	3,096
Later than one year and not later than five years	**3,903**	4,179
Later than five years	**413**	446
Total	**7,520**	7,721

Annual Report 2022 – 2023

Financial statements

for the year ended 31 March 2023

Notes to the accounts

15.2. Operating lease commitments

At 31 March 2023 Barts Charity was committed to making the following payments under non-cancellable operating leases:

	2023 £'000	2022 £'000
Not later than one year	**244**	242
Later than one year and not later than five years	**123**	363
Total	**367**	605

16. Net (expenditure) / income for the year

	2023 £'000	2022 £'000
This is stated after charging:		
Auditors' remuneration	**58**	66
Other payments to the auditors: Tax advice	**4**	-
Amortisation	**63**	67
Depreciation	**43**	35
Loss on disposal of fixed assets	**29**	85
Operating lease payments	**244**	244

Barts Charity
Ground Floor
12 Cock Lane
London
EC1A 9BU

E: hello@bartscharity.org.uk

T: 020 7618 1717

Registered charity no. 212563

Registered company no. 07168381

www.bartscharity.org.uk

Registered with FUNDRAISING REGULATOR

CYBER ESSENTIALS CERTIFIED PLUS